

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

**W-03388A**  
**Seven Canyons Water Compnay**  
**15333 North Pima Road, Suite 305**  
**Scottsdale, AZ 85260**

RECEIVED

ACC UTILITIES DIRECTOR

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2010</b>
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FOR COMMISSION USE

<b>ANN 04</b>	<b>10</b>
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4-26-11

**COMPANY INFORMATION**

<b>Company Name (Business Name)</b>		Seven Canyons Water Company	
<b>Mailing Address</b>		15333 North Pima Road, Suite 305	
(Street)			
Scottsdale	AZ	85260	
(City)	(State)	(Zip)	
480.627.7000	480.627.7010		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b>			
<b>Local Office Mailing Address</b>		755 Golf Club Way	
(Street)			
Sedona	AZ	86336	
(City)	(State)	(Zip)	
928.203.2254	928.203.2092		
Local Office Telephone No. (Incl Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b>			

**MANAGEMENT INFORMATION**

<input type="checkbox"/> <b>Regulatory Contact:</b>			
<input checked="" type="checkbox"/> <b>Management Contact:</b>			
Nancy Stone		CFO, Cavan Management Company	
(Name)		(Title)	
15333 N Pima Road #305	Scottsdale	AZ	85260
(Street)	(City)	(State)	(Zip)
480.747.9451	480.627.7010		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b>			
nstone@cavan.net			
<b>On Site Manager:</b>			
Wendy Ferguson			
(Name)			
755 Golf Club Way	Sedona	AZ	86336
(Street)	(City)	(State)	(Zip)
928.203.2254	928.203.2092		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Email Address</b>			
scwatercompany@sevencanyons.com			

<b>Statutory Agent:</b> <u>Cavan Management Services</u>			
(Name)			
<u>15333 N Pima Road, #305</u>	<u>Scottsdale</u>	<u>AZ</u>	<u>86260</u>
(Street)	(City)	(State)	(Zip)
<u>480.627.7000</u>	<u>480.627.7010</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
<b>Attorney:</b> _____			
(Name)			
_____	_____	_____	_____
(Street)	(City)	(State)	(Zip)
_____	_____	_____	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input checked="" type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

Company Name: Seven Canyons Water Company
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**UTILITY PLANT IN SERVICE**

Acct. No.	Description	Original Cost (OC)	Accumulated Depreciation (AD)	OCLD (OC less AD)
301	Organization	\$ -	\$ -	\$ -
302	Franchises	-	-	-
303	Land & Land Rights	-	-	-
304	Structures & Improvements	1,350	261	1,089
307	Wells & Springs	593,050	106,749	486,301
311	Pumping Equipment	28,818	5,216	23,602
320	Water Treatment Equipment	-		-
330	Distribution Reservoirs & Standpipes	-	-	-
331	Transmission & Distrib. Mains	222,659	40,078	182,581
333	Services	-	-	-
334	Meters & Meter Installations	15,102	3,039	12,063
335	Hydrants	-	-	-
336	Backflow Prevention Devices	-		-
339	Other Plant & Misc Equipment	-		-
340	Office Furniture & Equipment	-		-
340.1	Computers & Software	-		-
341	Transportation Equipment	-		-
343	Tools, Shop & Garage Equip.	-		-
344	Laboratory Equipment	-		-
345	Power Operated Equipment	-		-
346	Communications Equipment	2,535	2,293	241
347	Miscellaneous Equipment	-		-
348	Other Tangible Plant	-		-
	<b>TOTALS</b>	<b>\$ 863,514</b>	<b>\$ 157,637</b>	<b>\$ 705,877</b>

Total Accumulated Depreciation amount goes on the Balance Sheet Acct. No. 108

Company Name: Seven Canyons Water Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1X2)
301	Organization	\$ -		\$ -
302	Franchises	-		-
303	Land & Land Rights	-	N/A	-
304	Structures & Improvements	1,350	4.00%	54
307	Wells & Springs	593,050	4.00%	23,722
311	Pumping Equipment	28,818	3.9800%	1,147
320	Water Treatment Equipment	-		-
330	Distribution Reservoirs & Standpipes	-		-
331	Transmission & Distrib. Mains	222,659	4.0000%	8,906
333	Services	-		-
334	Meters & Meter Installations	15,102	4.0000%	604
335	Hydrants	-		-
336	Backflow Prevention Devices	-		-
339	Other Plant & Misc Equipment	-		-
340	Office Furniture & Equipment	-		-
340.1	Computers & Software	-		-
341	Transportation Equipment	-		-
343	Tools, Shop & Garage Equip.	-		-
344	Laboratory Equipment	-		-
345	Power Operated Equipment	-		-
346	Communications Equipment	2,535	14.2900%	362
347	Miscellaneous Equipment	-		-
348	Other Tangible Plant	896		-
	<b>TOTALS</b>	<b>\$ 864,410</b>		<b>\$ 34,796</b>

Depreciation Expense amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

Company Name: Seven Canyons Water Company

**BALANCE SHEET**

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 591	\$ 3,324
134	Working Funds	250	250
135	Temporary Cash Investments		
141	Customer Accounts Receivable	71,189	24,391
146	Notes/Receivables from Associated Companies	25,940	25,940
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		-
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 97,970	\$ 53,905
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 863,514	\$ 863,514
103	Property Held for Future Use		
105	Construction Work In Progress		
108	Accumulated Depreciation - Utility Plant	(122,842)	(157,637)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 740,672	\$ 705,877
	<b>TOTAL ASSETS</b>	\$ 838,642	\$ 759,782

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

Company Name: Seven Canyons Water Company

**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 20,670	\$ 24,291
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	1,822	14
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	1,971	2,887
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 24,463	\$ 27,192
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds		
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	\$ 27,091	\$ 25,419
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction		
272	Less: Amortization of contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 27,091	\$ 25,419
	<b>TOTAL LIABILITIES</b>	\$ 51,554	\$ 52,611
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 1,000	\$ 1,000
211	Paid in Capital in Excess of Par Value	961,505	978,760
215	Retained Earnings	(175,417)	(272,589)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 787,088	\$ 707,171
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 838,642	\$ 759,782

Company Name: Seven Canyons Water Company
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**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 96,643	\$ 98,328
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	<b>\$ 96,643</b>	<b>\$ 98,328</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ -	\$ -
610	Purchased Water		
615	Purchased Power	21,995	21,452
618	Chemicals		
620	Repairs and Maintenance	2,818	3,989
621	Office Supplies & Expense	255	5,983
630	Outside Services	15,673	55,692
635	Water Testing	30	135
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability	1,016	1,072
659	Insurance - Health and Life		
666	Regulatory Commsn Exp-Rate Case		
675	Miscellaneous Expense	240	71,199
403	Depreciation Expense	34,796	34,796
408	Taxes Other Than Income	59	539
408.11	Property Taxes	3,910	650
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 80,792</b>	<b>\$ 195,507</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 15,851</b>	<b>\$ (97,179)</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income		
421	Non-Utility Income	\$ 8,489	\$ 5
426	Miscellaneous Non-Utility Exp		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ 8,489</b>	<b>\$ 5</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 24,340</b>	<b>\$ (97,174)</b>



Company Name: Seven Canyons Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	No loans			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ -	\$ -	\$ -	\$ -
Amount Outstanding	\$ -	\$ -	\$ -	\$ -
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$ -	\$ -	\$ -	\$ -
Current Year Principal	\$ -	\$ -	\$ -	\$ -

Meter Deposit Balance at Test Year End \$ 25,419

Meter Deposits Refunded During the Test Year \$ 1,672

Company Name: Seven Canyons Water Company	
Name of System:	ADEQ Public Water System Number: 13-248

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-600173	25	118	744	7	4	1963

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS	
Horsepower	Quantity
15.0	2
3 - 60 (VFD)	2

FIRE HYDRANTS	
Quantity Standard	Quantity Other
20	

STORAGE TANKS	
Capacity	Quantity
6,700 gal	1
200,000 gal	1

PRESSURE TANKS	
Capacity	Quantity
23.7	1

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

Company Name: Seven Canyons Water Company		
Name of System:	ADEQ Public Water System Number:	13-248

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

MAINS			CUSTOMER METERS	
Size (in inches)	Material	Length (in feet)	Size (in inches)	Quantity
2		67	5/8 x 3/4	
3			3/4	2
4		278	1	39
5			1 1/2	6
6		197	2	6
8		3710	Comp. 3	
10		2957	Turbo 3	
12			Comp. 4	
			Turbo 4	
			Comp. 6	
			Turbo 6	

For the following three items, please list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Solenoid Dosing Pump (Chemical Metering Pump)

STRUCTURES:

Sound wall
Booster Pump Room (Main)
Office/Laboratory
Booster Pump Room (Secret Ridge)

OTHER:

Level Controller
Level Sensor
Control Switch
Goulds Water Feature Pump
Telemetry System (SCADA)

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

Company Name: Seven Canyons Water Company		
Name of System:	ADEQ Public Water System Number:	13-248

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	54	653	810	
FEBRUARY	54	512	645	
MARCH	54	604	740	
APRIL	54	960	1,200	
MAY	54	1,228	1,383	
JUNE	54	1,553	2,017	
JULY	54	1,245	1,490	
AUGUST	54	919	1,543	
SEPTEMBER	54	1,321	1,620	
OCTOBER	54	810	985	
NOVEMBER	54	691	846	
DECEMBER	54	636	831	
TOTALS		11,131	14,108	0.000

What is the level of arsenic for each well on your system? < .002 mg/l  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 2,250 GPM for 2 hours

If system has chlorination treatment, does this treatment system chlorinate continuously?  
YES NO

Is the water utility located in an ADWR Active Management Area ("AMA")?  
YES NO

Does the Company have an ADWR gallons per capita per day ("GPCPD") requirement?  
YES NO

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate sheets for each system.

Company Name: Seven Canyons Water Company		
Name of System:	ADEQ Public Water System Number:	13-248

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	-	-	-
FEBRUARY	-	-	-
MARCH	-	-	-
APRIL	-	-	-
MAY	-	-	-
JUNE	-	-	-
JULY	-	-	-
AUGUST	-	-	-
SEPTEMBER	-	-	-
OCTOBER	-	-	-
NOVEMBER	-	-	-
DECEMBER	-	-	-
TOTALS	-	-	-

OTHER (description):


COMPANY NAME Seven Canyons Water Company

YEAR ENDING 12/31/10

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar year 2010 was: \$ 2,947

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

RECEIVED  
APR 11 2011  
ACCUITIES DIRECTOR

**VERIFICATION**

STATE OF AZ  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Marcia J Barker Secretary</u>
COMPANY NAME <u>Seven Canyons Water Company</u>

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

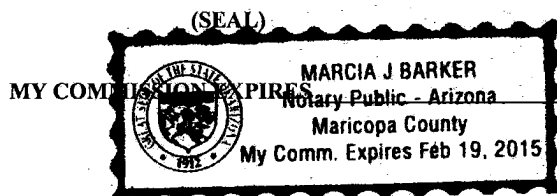
*Marcia J Barker*  
SIGNATURE OF OWNER OR OFFICIAL  
480-627-7000  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14TH DAY OF

COUNTY NAME	<u>MARICOPA</u>	
MONTH	<u>APRIL</u>	<u>2011</u>



*Marcia J Barker*  
SIGNATURE OF NOTARY PUBLIC

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	est	\$	-
Estimated or Actual Federal Tax Liability	est	\$	-
State Taxable Income Reported	est	\$	-
Estimated or Actual State Tax Liability	est	\$	50

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	\$	-
Amount of Gross-Up Tax Collected		-
Total Grossed-Up Contributions/Advances	\$	-

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certified that the Utility has refunded to Payers all gross-up tax refunds reported in the prior years annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company, or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**PRINTED NAME**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**TITLE**



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

RECEIVED  
FEB 15 2011  
ACC UTILITIES DIRECTOR

**VERIFICATION**

STATE OF AZ  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Secretary/Secretary</u>
COMPANY NAME <u>Seven Canyon Water Company</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 105,173

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 6845  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

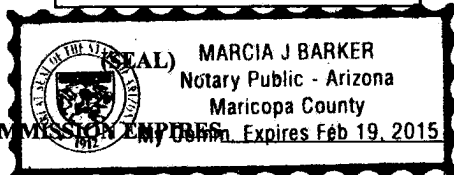
*Jill M... ..*  
SIGNATURE OF OWNER OR OFFICIAL  
480-627-7000  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 14TH **DAY OF**

COUNTY NAME <u>MARICOPA</u>	
MONTH <u>APRIL</u>	<u>2011</u>



*Marcia J Barker*  
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

RECEIVED  
APR 22 2011  
ACC UTILITIES DIRECTOR

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) <u>Maricopa</u>	
NAME (OWNER OR OFFICIAL) <u>Jeffrey Markel</u>	TITLE <u>Secretary</u>
COMPANY NAME <u>Seven Canyon Water Company</u>	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 54,384

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 3539

IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

*Jeffrey Markel*  
SIGNATURE OF OWNER OR OFFICIAL  
480-627-7000  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

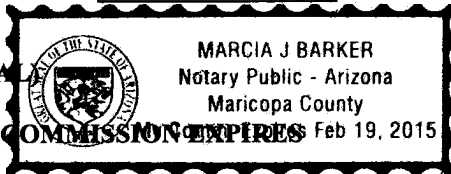
**THIS**

14TH

**DAY OF**

(SEAL)

**MY COMMISSION EXPIRES**



NOTARY PUBLIC NAME <u>MARCIA J. BARKER</u>	
COUNTY NAME <u>MARICOPA</u>	
MONTH <u>APRIL</u>	20 <u>11</u>

*Marcia J. Barker*

SIGNATURE OF NOTARY PUBLIC